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ASH GROVE CEMENT COMPANY

Inter-Office Memorandum

Date July 18, 1992

To Steve Sheridan

From Ken Rone

Copies to Jim Post

Subject Progress Report - Two Week
Period Ending 7/17/92

George Wells

Two doctor's cases were reported, none recordable. A gas explosion during startup, resulting from burner pipe modifications and our lack of flame safety, bent a dust shroud. There were no injuries and Fuller was instructed to restore all flame safety controls. Subsequent start-ups proceeded routinely.

A Production Specialist was terminated for excessive absenteeism. Another was given a three day layoff. (b) (6)

PSAPCA investigated an aerosol plume which began to develop late Thursday morning. They allowed us two hours to solve the problem or shutdown. We eventually were able to start the Loesche Mill which remedied the plume. We had not seen this condition before and are puzzled as to it's nature. The next day the Loesche Mill dropped out and the same condition resumed. Unable to control stack emissions, we shut the kiln down. The mix was out of control anyway. All parties are theorizing as to the nature of the emission. After the kiln cools we will repair cooler tube leaks, repair the reclaimer, reblend the stored feed and remove a massive buildup in the precalciner. We will see what happens when we restart with better feed and probably the benefit of the Loesche Mill.

Earlier kiln outages were forced when a misinstalled pinion lubricator failed causing cosmetic damage to the girth gear. Also electrical glitches in the lift pump blower and the PH ID fan brought us down. Another shutdown occurred when an operator inadvertently shut down the clinker pan conveyor.

We changed Type 1 to a 3.1 silica ratio from 2.9 for better burning conditions.

We had accumulated a substantial pile of limerock from various cleanup operations. We decided to tram them back into the main pile. Due to our own carelessness, we carried some Stoneway waste concrete chunks along with them. These made quick work of the reclaimer buckets when the reclaimer got into them. All the buckets were damaged as well as the chain lubrication system. Ben has a sound program to do piecemeal repairs while allowing us to do some

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very controlled operation in between time. None-the-less some Loesche Mill downtime resulted from the lack of feed.

Material handling remains a major unanticipated manpower drain. Four particular areas need to be corrected. The truck hopper pan conveyor is under powered and cannot pull out a full hopper of clay or iron. The 4x4 grizzly will not pass the clay and coal. A vibrator is recommended. The belt scrapers are ineffective and are being replaced by AGC forces. Finally, the clay/limestone mix requires rehandling of all the clay and reduces reclaim time. The proper fix is to convert the clay/limestone component to 100% clay, allowing direct truck to bin conveying. We have taken the first step in changing our clay/rock mix to 75-25 from 50-50.

Two Seaspan barges arrived. The first pointed to several rework items which were accomplished in time for the second. We need expanded FEL bucket capacity, a new unloading conveyor, and a better way to spring the barge.

Several weld failures were discovered on the rock dock dolphins and a claim filed with Baugh. Finger pointing between SMG, Baugh and Baugh's subcontractor complicated what was otherwise a straightforward claim which was eventually resolved to our satisfaction and without extra cost.

Airslide work and feeder replacements by Production Support, along with Tryg's loop tuning have resulted in very satisfactory Finish Mill operations.

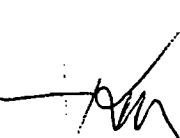
We are working out some final items with the city over our Master Use Permit subcategories related to geotechnical analysis and shorelines issues. I see no major problems except possibly for a spill containment program on our over water conveyors.

Claus Bech arrived to replace Mr. Elkjaer. Visits were made by George, Kim McCloud, Jim Sunderland and two Fuller customers from Dachotah Cement.

I visited Portland to meet with you, Jim and Nate. We decided that all T-II production would be to T-V specs. Type I will be 58-60 C3S.

We bid farewell to the support crews sent in from the other plants. Their experienced presence during the shift operations had a very positive influence on our team members. We were fortunate to have the benefit of their participation.

Next week the flag sign will be mounted. We will begin regular 5 day per week scheduling of our Mechanical Specialists who had previously been on shift. We made a similar move three weeks ago with the I/E Specialists. Our annual picnic will be held 7/25.



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